REMARKS

This responds to the Office Action mailed on August 11, 2008.

Claims 1, 11, 21, and 22 are amended, no claims are canceled, and no claims are added; as a result, claims 1-22 are now pending in this application.

§101 Rejection of the Claims

Claims 1-20 and 22 were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Independent claims 1, 11, and 22 were rejected.

In response to the rejection , the independent claims 1, 11 and 22 were amended.

A claimed process is patent-eligible under §101 if it is tied to a particular machine or apparatus[1]. In view of the amendments to the aforementioned independent claims to tie them to a particular machine or apparatus, Applicants request withdrawal of the rejection to claims 1-20 and 22.

§112 Rejection of the Claims

Claims 11-20 and 22 were rejected under 35 U.S.C. § 112, second paragraph, for indefiniteness. Specifically, the Office Action states:

> Claim 11, which recites "A system .. including: at least one machine to execute: an account module ... ; a payment module . . .." is indefinite because the modules are not recited as stored in any memory of the machine or in the machine thus the issue is how does the machine execute such modules. In other words the structural elements of the system are not properly claimed.[2]

> Further it's not clear if "machine" is software only. See 35 USC § 101 discussion above.[3]

Applicable Law

The Board of Patent Appeals and Interferences has stated:

---

[1] Bilski
[2] Office Action, mailed August 11, 2008, page 4.
[3] Id.

In rejecting a claim under the second paragraph of 35 U.S.C.§112, it is incumbent on the Examiner to establish that one of ordinary skill in the pertinent art, when reading the claims in light of the supporting specification, would not have been able to ascertain with a reasonable degree of precision and particularity the particular area set out and circumscribed by the claims.[4]

In adoption of the above rationale, the MPEP [5] states:

The essential inquiry pertaining to this requirement is whether the claims set out and circumscribe a particular subject matter with a reasonable degree of clarity and particularity. Definiteness of claim language must be analyzed, not in a vacuum, but in light of:

(1)   The content of the particular application disclosure;
(2)   The teachings of the prior art; and
(3)   The claim interpretation that would be given by one possessing the ordinary level of skill in the pertinent art at the time the invention was made.

In response to the rejection for indefiniteness for the reason that "the modules are not recited as stored in any memory of the machine or in the machine," [6] Applicants disagree for the at least the following reasons. First, the rejection is based on an unknown standard. Specifically, the above quote from the Board of Patent Appeals and Inferences and the excerpt from the MPEP do not require the modules to be *recited* as stored in the memory of the machine or in the machine. Specifically, the guidance provided by the MPEP relates that the claim language must be analyzed in light of: (1) the content of the particular application disclosure; (2) the teachings of the prior art; and (3) the claim interpretation that would be given by one possessing the ordinary level of skill in the pertinent art at the time the invention was made.

Second, using the above quoted standards, one possessing the ordinary level of skill in the pertinent art may infer that the "account module," the "payment module," and the "award module" are executed by a processor that is included in a machine. Specifically, such an inference may be made because the aforementioned modules are disclosed by the specification [7]

---

[4] *Ex parte* Wu, 10 USPQ 2d 2031, 2033 (B.P.A.I. 1989)(citing *In re* Moore, 439 F.2d 1232, 169 USPQ 236 (C.C.P.A. 1971); *In re* Hammack, 427 F.2d 1378, 166 USPQ 204 (C.C.P.A. 1970)).
[5] *MPEP* § 2173.02
[6] Office Action, mailed August 11, 2008, page 4.
[7] See text supporting FIGS. 5, 6, 7, & 8.

as performing the operations included in the methods in FIGS. 5, 6, 7 & 8 and because the

specification states **"Figure 18** illustrates a machine… to perform anyone or more of the

methodologies discussed herein.…[8] Accordingly, one having ordinary skill in the art may, in

review of **Figure 18,** may further infer that the aforementioned modules execute the methods in

the machine by using the instructions 324 shown to be stored in the main memory 304.

Further in response to the rejection for indefinitness, Applicants have amended

independent claims 11 and 22 to recite "at least one processor."

In view of the amendments to the independent claims and the above remarks Applicants

respectfully request the Examiner to reconsider and withdraw the rejection under 35 U.S.C.§112.

§*103 Rejection of the Claims*

Claims 1-22 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Perri et

al. (U.S. Publication No. 2001/0020231, hereinafter; "Perri") in view of Hajdukiewicz et al (U.S.

Patent No. 6,980,960, hereinafter; "Hajdukiewicz") and further in view of Warren et al. (U.S.

Publication No. 2003/0101131, hereinafter; "Warren").

Applicants respectfully submit that the rejection of claims 1-22 under 35 U.S.C. § 103 is

defective for the reason that the cited references when combined as described in the Office

Action do not teach or suggest all of the claim limitations of the independent claims of the

present application.

Applicable Law

In rejecting claims under 35 U.S.C. §103, the Examiner bears the initial burden of

factually supporting any *prima facie* conclusion of obviousness. *See* M.P.E.P. §2142. Further,

"[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements;

instead, there must be some articulated reasoning with some rational underpinning to support the

legal conclusion of obviousness"[9]

---

[8] Specification, paragraph 87.
[9] *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006). cited with approval in *KSR v Teleflex*,
550 U.S. at ___ , 82 USPQ2d at 1396 (quoting Federal Circuit statement with approval).

AMENDMENT AND RESPONSE UNDER 37 C.F.R § 1.111
Serial Number:10/772,530
Filing Date: February 4, 2004
Title: METHOD AND SYSTEM FOR INCENTIVIZING THE PROMOTION OF A PAYMENT SERVICE
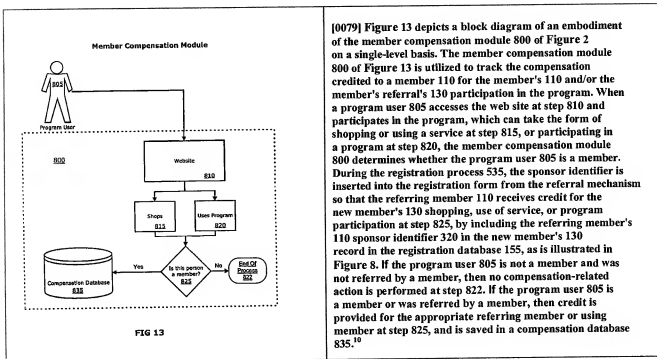
Page 9
Dkt: 2043.150US1

Argument

  Applicants believe that the issue of patentablity over Perri in combination Hajdukiewicz

in combination with Warren is best understood with regard to the limitations of claim 1.

  Claim 1 includes the following limitation:

  automatically awarding a payout to the first party based on the payment to the account
  for the second party and on the bonus program that is associated with the account.

Perri

  The Office Action does not point to any specific passage of the abovementioned

references with regard to the above limitation; however Applicants note that Perri relates the

following:

Member Compensation Module

FIG 13

[0079] Figure 13 depicts a block diagram of an embodiment of the member compensation module 800 of Figure 2 on a single-level basis. The member compensation module 800 of Figure 13 is utilized to track the compensation credited to a member 110 for the member's 110 and/or the member's referral's 130 participation in the program. When a program user 805 accesses the web site at step 810 and participates in the program, which can take the form of shopping or using a service at step 815, or participating in a program at step 820, the member compensation module 800 determines whether the program user 805 is a member. During the registration process 535, the sponsor identifier is inserted into the registration form from the referral mechanism so that the referring member 110 receives credit for the new member's 130 shopping, use of service, or program participation at step 825, by including the referring member's 110 sponsor identifier 320 in the new member's 130 record in the registration database 155, as is illustrated in Figure 8. If the program user 805 is not a member and was not referred by a member, then no compensation-related action is performed at step 822. If the program user 805 is a member or was referred by a member, then credit is provided for the appropriate referring member or using member at step 825, and is saved in a compensation database 835.[10]

---

[10] Perri, paragraph 79.

The above material from Perri relates a member compensation module. The member compensation module tracks compensation to a member. The compensation may be for a member's participation in the program or for a referring member's participation in the program. The referring member receives credit for a new member's shopping, use of service, or program participation.

Claim 1 requires "*automatically awarding a payout to the first party based on the payment to the account for the second party and on the bonus program that is associated with the account.*" In contrast, the above material from Perri relates to a referring member who receives credit for a new member's shopping, a new member's shopping use of service or a new member's shopping program participation. Specifically, receiving credit for a new member's shopping is not the same as "*automatically awarding a payout to the first party based on the payment to the account for the second party and on the bonus program that is associated with the account.*" For example, the "shopping" related by Perri is not the same as a "*payment to the account for the second party*" or "*the bonus program that is associated with the account*" much less the requirement of both these limitations as a basis for "*automatically awarding a payout to the first party.*" The same may be said for a new member's shopping use of service or a new member's shopping program participation. Perri therefore cannot be said to teach or suggest the above quoted limitation because Perri relates a referring member who receives credit for a new member's shopping, a new member's shopping use of service or a new member's shopping program participation and claim 1 requires "*automatically awarding a payout to the first party based on the payment to the account for the second party and on the bonus program that is associated with the account.*" These are distinguishable actions.

Hajdukiewicz

The Office Action does not point to any specific passage in Hajdukiewicz with regard to the above limitation; however Applicants note that Hajdukiewicz relates the following:

> In one embodiment of the invention, 30
> a fee is paid to the program operator by either the credit card
> provider or the co-branded company, or both, as a finder's
> fee for the new credit card account. The fee maybe used by
> the operator of the program to optionally lower the program

price of the gasoline.[11]

The above quote from Hajdukiewicz relates to a finder's fee for a new credit card account. The finder's fee may be paid to a program operator. The finder's fee may be paid to a program operator by a credit card provider a co-branded company or both.

Claim 1 requires *"automatically awarding a payout to the first party based on the payment to the account for the second party and on the bonus program that is associated with the account."* In contrast, the above material from Hajdukiewicz relates to a program operator who receives a finder's fee for a new credit card account. Receiving a finder's fee for a new credit card account is not the same as *"automatically awarding a payout to the first party based on the payment to the account for the second party and on the bonus program that is associated with the account."* For example, the *"a new credit card account"* related by Hajdukiewicz is not the same as a *"payment to the account for the second party"* or *"the bonus program that is associated with the account"* much less the requirement of both these limitations as a basis for *"automatically awarding a payout to the first party."* Hajdukiewicz therefore cannot be said to teach or suggest the above quoted limitation because Hajdukiewicz relates to a program operator who receives a finder's fee for a new credit card account and claim 1 requires *"automatically awarding a payout to the first party based on the payment to the account for the second party and on the bonus program that is associated with the account."* These are distinguishable actions.

Warren

The Office Action relies upon the following quotes from Warren, which fails to teach or suggest *"automatically awarding a payout to the first party based on the payment to the account for the second party and on the bonus program that is associated with the account,"* as required by claim 1.

> [0065] The account provider may also send the user a
> number of available rewards programs organized into categories
> and subcategories. For example, the account provider
> may send the user a list of available rewards programs0

---

[11] Hajdukiewicz, col. 7, lines 31-35.

AMENDMENT AND RESPONSE UNDER 37 C.F.R § 1.111
Serial Number:10/772,530
Filing Date: February 4, 2004
Title: METHOD AND SYSTEM FOR INCENTIVIZING THE PROMOTION OF A PAYMENT SERVICE

Page 12
Dkt: 2043.150US1

> such as United Airlines miles or Marriott hotel points or
> subcategories such as travel or shopping. The account provider
> may also send the user a number of subcategories of
> features of the rewards programs, such as criteria for earning
> rewards, methods of redeeming rewards, and types of compensation.
> Criteria for earning rewards may include transaction
> based earning (e.g., based on amount of spending or
> interest paid), balance based earning (e.g., based on balance
> transfer, revolving balance, or a balance threshold), or other
> events such as first use of the account or application
> approval.[12]

The above material from Warren relates to rewards programs. The rewards programs may be sent by an account provider to a user. Examples of rewards programs may include United Airlines miles or Marriott hotel points. Criteria for earning rewards may include a transaction based earning of awards and a balanced based earning of awards. For example, the transaction based earning of awards may include earning an award based on an amount of spending or interest paid. Further for example, the balanced based earning of awards may include earning an award be based on a balance transfer, a revolving balance, or a balance threshold. Further, criteria for earning rewards may include the criterion of a first use of an account and the criterion of an application approval.

Claim 1 requires *"automatically awarding a payout to the first party based on the payment to the account for the second party and on the bonus program that is associated with the account."* In contrast, the above material from Warren relates to multiple criteria for earning an award none of which may be said teach or suggest a *"payment to the account for the second party."* In support of this statement the above criteria as related by Warren merit review. First, Warren relates that the transaction based earning of awards includes earning an award based on an amount of spending or interest paid. However, this is not the same as a *"payment to the account for the second party."* To be sure, a spending or an interest paid cannot be said to be a *"payment to the account for the second party."* Indeed, nowhere in the above material from Warren is an account mentioned much less a *"payment to the account for the second party,"* as required by claim 1. Second, Warren relates that the balanced based earning of awards may include earning an award be based on a balance transfer, a revolving balance, or a balance threshold; however, none of these actions may be said to constitute a *"payment to the account for*

---

[12] Warren, paragraph 65.

the second party. " Finally, Warren relates a criterion of a first use of an account and a criterion
of an application approval neither of which may be said to teach or suggest a *"payment to the
account for the second party. "* Warren therefore cannot be said to teach or suggest the above
quoted limitation because Warren relates to criterion none of which may be said to teach or
suggest a *"payment to the account for the second party"* and claim 1 requires *"automatically
awarding a payout to the first party based on the payment to the account for the second party
and on the bonus program that is associated with the account. "* These are distinguishable
actions.

The above remarks are also applicable to independent claims 11, 21, and 22.

In addition, if an independent claim is nonobvious under 35 U.S.C. § 103 then, any claim
depending therefrom is nonobvious and rejection of claims 2-10 and 12-20 under 35 U.S.C. §
103 is also addressed by the above remarks.

In summary, a person having ordinary skill in the art, having carefully considered Perri,
Hajdukiewicz and Warren, whether alone or in combination, would not conclude the limitations
of the independent claims of the present application are obvious as is required to support a *prime
facie* case of obviousness in rejecting of the independent claims of the present application under
35 U.S.C.§ 103.

AMENDMENT AND RESPONSE UNDER 37 C.F.R § 1.111
Serial Number:10/772,530
Filing Date: February 4, 2004
Title: METHOD AND SYSTEM FOR INCENTIVIZING THE PROMOTION OF A PAYMENT SERVICE

Page 14
Dkt: 2043.150US1

CONCLUSION

Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicants' representative at (408) 278-4046 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

SCHWEGMAN, LUNDBERG & WOESSNER, P.A.
P.O. Box 2938
Minneapolis, MN 55402
(408) 278-4046

Date   November 12, 2008   By _____

Mark R. Vatuone
Reg. No. 53,719

CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on November 12, 2008.

_____CHRIS BARTZ_____   _____
Name   Signature